



GOLDEN MEDITECH HOLDINGS LIMITED
金衛醫療集團有限公司

FY2014 / 15 Annual Results Presentation
(For the 12 Months Ended 31 March 2015)



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Company Profile

A leading integrated healthcare enterprise, focuses on China's healthcare industry and its core operations are categorised into two segments:

Healthcare Services Segment

- **Hospital Management Business**

- Owns and operates Beijing Qinghe Hospital ("Qinghe Hospital") and Shanghai East International Medical Centre ("SEIMC") through GM Hospital Group Limited ("GMHG")
- Qinghe Hospital has started trial run since December 2013. Providing broad range of medical disciplines and offering 600 beds. Qinghe Hospital aims to provide high quality and comprehensive healthcare services to general public in Beijing. SEIMC, a renowned international hospital brand providing premium healthcare services in vicinity of Shanghai

- **Cord Blood Storage Business**

- China Cord Blood Corporation ("CCBC", NYSE: CO), is the largest cord blood bank operator in China
- CCBC is the only cord blood bank operator with multiple licenses in China. CCBC has three operating cord blood banks in the Beijing municipality, the Guangdong province and the Zhejiang province. CCBC also has a 24% equity interest in the operator of the exclusive licensed cord blood bank in the Shandong province

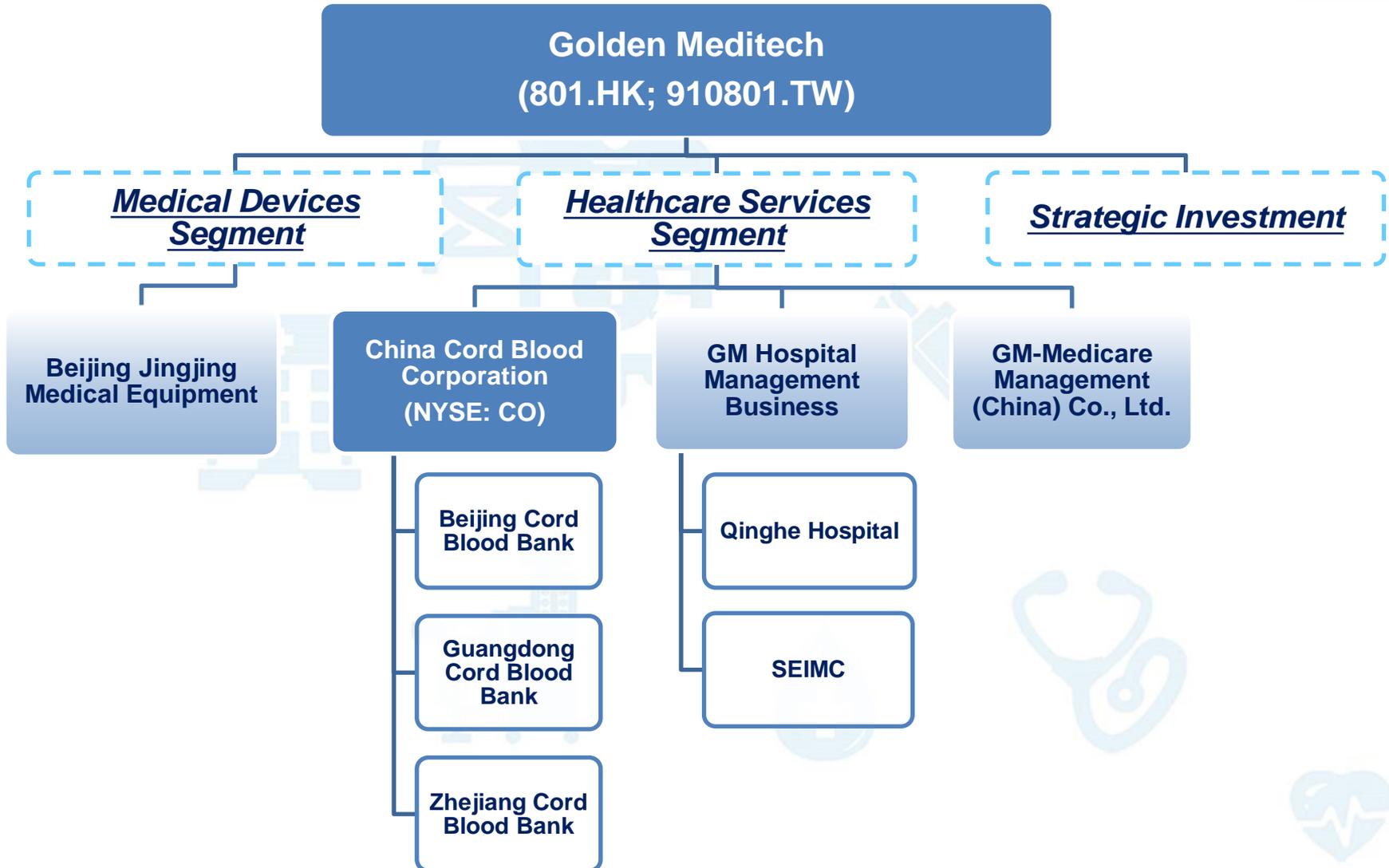
- **Medical Insurance Administration Business**

- Pioneering medical insurance administration solutions provider in China, providing claim process and bill settlement services through GM-Medicare (China) Company Limited ("GM-Medicare")

Medical Devices Segment

- Beijing Jingjing Medical Equipment, leading medical devices manufacturer in China. Develops, manufactures, sells and distributes blood-related medical devices in China

Business Structure



Proposed Transaction

CCBC Privatisation Proposal

- On 27 April 2015, submitted a non-binding proposal letter to the board of directors of CCBC for the acquisition of the entire ordinary shares owned by other shareholders of CCBC, at US\$6.40 per share in cash, with a view to privatise CCBC
- Announced on 4 May and 8 May 2015 respectively, to acquire the 7% senior convertible notes due 2017 in an aggregate principal amount of US\$115,000,000 (equivalent to approximately HK\$897,000,000) issued by CCBC and held by KKR China Healthcare Investment Limited, Magnum Opus International Holdings Limited and Cordlife Group Limited respectively for a total consideration of not less than US\$282,838,000 (equivalent to approximately HK\$2,206,136,000). Concurrently, the Company has also entered into an agreement with Cordlife Group Limited to acquire the CCBC shares held by Cordlife Group Limited for a total consideration of not less than US\$46,810,000 (equivalent to approximately HK\$365,118,000). Upon completion of the above acquisitions (assuming all 7% senior convertible notes were fully converted and all restricted share units of CCBC were vested), the equity interest in CCBC held by the Company would increase from approximately 38.31% to 65.10%
- CCBC has established a special committee to conduct further discussions on matters relating to the proposed transaction



FY14 / 15 Highlights

Major Events During the Reporting Period:

- In FY14/15, consolidated shareholdings in GMHG. Increased interest in Qinghe Hospital, strengthening our competitive advantages in high-end hospital management
- Over the years, CCBC has developed into a leading cord blood storage business with a proven and better established business model in the Mainland China
- Submitted a non-binding proposal to the board of directors of CCBC for the acquisition of the entire ordinary shares owned by other shareholders of CCBC, at US\$6.40 per share in cash, with a view to privatise CCBC. Such Privatisation Proposal will complement the Group's overall strategies within the Mainland China healthcare industry
- Also announced subsequently to acquire the 7% senior convertible notes (issued by CCBC and held by KKR China Healthcare Investment Limited, Magnum Opus International Holdings Limited, and Cordlife Group Limited respectively) and the CCBC shares held by Cordlife Group Limited
- Received a notice in relation to Fortress which requires the ordinary shareholders of Fortress to redeem certain outstanding senior obligations of Fortress from a senior security holder of Fortress, indicating that the disposal of Fortress would not proceed as contemplated. The Company is currently under discussion and negotiation with relevant parties, and will also continue to evaluate alternatives to maximise the recovery of the Group's interest in Fortress. Based on the information available at this stage, the Company has made a full impairment provision of HK\$759,934,000. Such non-cash provision is not expected to affect the Group's core businesses which performed in line with management expectation
- Medical devices segment proactively adjusted marketing strategy and product selling price to maintain market share and fortify competitive advantages amid rising competitions
- The Board recommended final dividend of HK1.3 cents per share and continue to adopt relatively stable dividend policy

- Annual results of core businesses in-line with management's expectations, total revenue HK\$1,051,350,000
- Loss attributable to equity shareholders of the Company totalled HK\$805,860,000, while basic loss per share was HK46.3 cents
- Reported non-cash losses due to one-off non-cash impairment losses HK\$767,219,000 and the non-operating loss as a result of the fair value accounting treatment of financial assets and financial liabilities HK\$261,834,000
- Excluding such non-operating losses, adjusted profit attributable to equity shareholders ↓65.4% to HK\$29,885,000. The decrease was attributable to start-up costs of Qinghe Hospital which is still at trial run and lesser contributions from medical devices segment

FY 14 / 15 Results Summary

HK\$'000	For the year ended		Change %
	31 March 2015	31 March 2014	
Turnover			
<i>Cord Blood Storage Service Income</i>	800,555	722,167	10.9
<i>Hospital Management Service Income</i>	63,442	71,181	(10.9)
<i>Medical Insurance Administration Service Income</i>	5,845	4,941	18.3
<i>Medical Devices and Accessories Sales</i>	175,619	274,201	(36.0)
<i>Chinese Herbal Medicine Sales</i>	5,889	12,578	(53.2)
	1,051,350	1,085,068	(3.1)
Gross Profit	764,882	761,990	0.4
Other One-off Impairment Losses (net of associated tax impacts)	(767,219)	(468,616)	63.7
Changes in Fair Value of Financial Assets and Liabilities	(261,834)	(385,381)	(32.1)
Loss After Tax	(881,437)	(712,864)	23.6
Adjusted Profit After Tax*	147,616	141,133	4.6
Loss Attributable to Equity Shareholders	(805,860)	(429,081)	87.8
Adjusted Profit Attributable to Equity Shareholders*	29,885	86,464	(65.4)
Loss Per Share (Basic)	HK(46.3) cents	HK(33.6) cents	37.8
Adjusted Earnings Per Share (Basic)#	HK1.7 cents	HK6.8 cents	(75.0)
Net cash generated from operating activities	949,390	801,628	18.4
Proposed Final Dividend Per Share	HK1.3 cents	HK2.6 cents	(50.0)

*Excluding loss due to fair value changes of financial assets and liabilities, and one-off impairment losses and their associated tax impacts

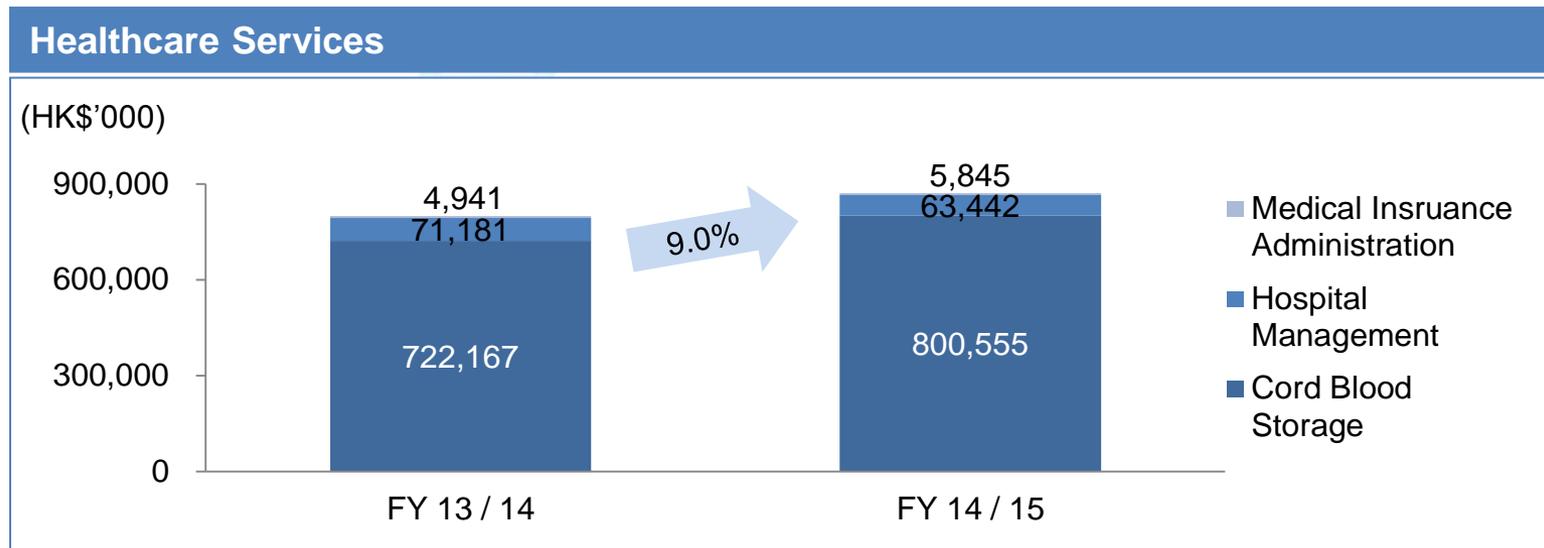
#Based on Adjusted (Loss)/Profit Attributable to Equity Shareholders of the Company

Strong Balance Sheet

HK\$'000	FY 14 / 15	FY 13 / 14
Total Assets	10,154,386	9,613,145
Total Assets less Current Liabilities	9,103,090	8,111,649
Total Equity Attributable to Equity Shareholders of the Company	3,589,275	4,492,861
NAV per share (HK\$)	2.00	2.63
Cash and Bank Deposits	4,045,558	2,797,974
Gearing Ratio	23.8%	14.5%

- Total interest-bearing debts stood at HK\$1,102,853,000 (31 March 2014: HK\$ 845,689,000), excluding the CCBC convertible notes in relation to the Proposed Transaction
- The payment to the convertible notes will be funded by internal resources of the Group and debt financing

Highlights of Healthcare Services Segment



- Revenue increased by 9.0%. Mainly driven by cord blood storage business and hospital management business
- Cord blood storage business continually achieved sustainable growth. Revenue increased by 10.9% to HK\$800,555,000
- Hospital management business recorded revenue of HK\$63,442,000
- Economic interests of Qinghe Hospital will be improved when fully operational



Highlights of Healthcare Services Segment



Hospital Management Business

- **Qinghe Hospital** has started trial run since Dec 2013
 - Located at Beijing's Haidian District with total floor area of approx. 75,000m²
 - Specialised not only in haematology but also provides broad range of medical disciplines such as O&G, paediatrics, ophthalmology and dentistry
 - Offering 600 beds of which 48 beds are haematology wards, to provide comprehensive and high quality hospital services to patients
 - Work seamlessly with Peking University People's Hospital for securing highly competent medical personnel and provision of quality hospital services
 - Reported loss as operation at trial stage with depreciation costs of facilities included
 - Overall performance will be improved when fully operational
- Increased shareholdings in **Qinghe Hospital** during the reporting period
 - Financial performance of Qinghe Hospital is expected to improve when fully operational
- **SEIMC** has continued to deliver contributions in-line with management's expectations and is expected to further extend market share through renowned brand



Highlights of Healthcare Services Segment



Cord Blood Storage Business

- Revenue increased by 10.9% to HK\$800,555,000
- During the reporting period, CCBC signed up over 64,500 new subscribers
- As of 31 March 2015, achieved over 441,000 accumulated subscribers
- New facilities in Guangdong and Zhejiang have been completed and put into use
- Reported net loss under Hong Kong Financial Reporting Standards as a result of fair value changes of CN notes issued



中國臍帶血庫企業集團

China Cord Blood Corporation

Highlights of Healthcare Services Segment

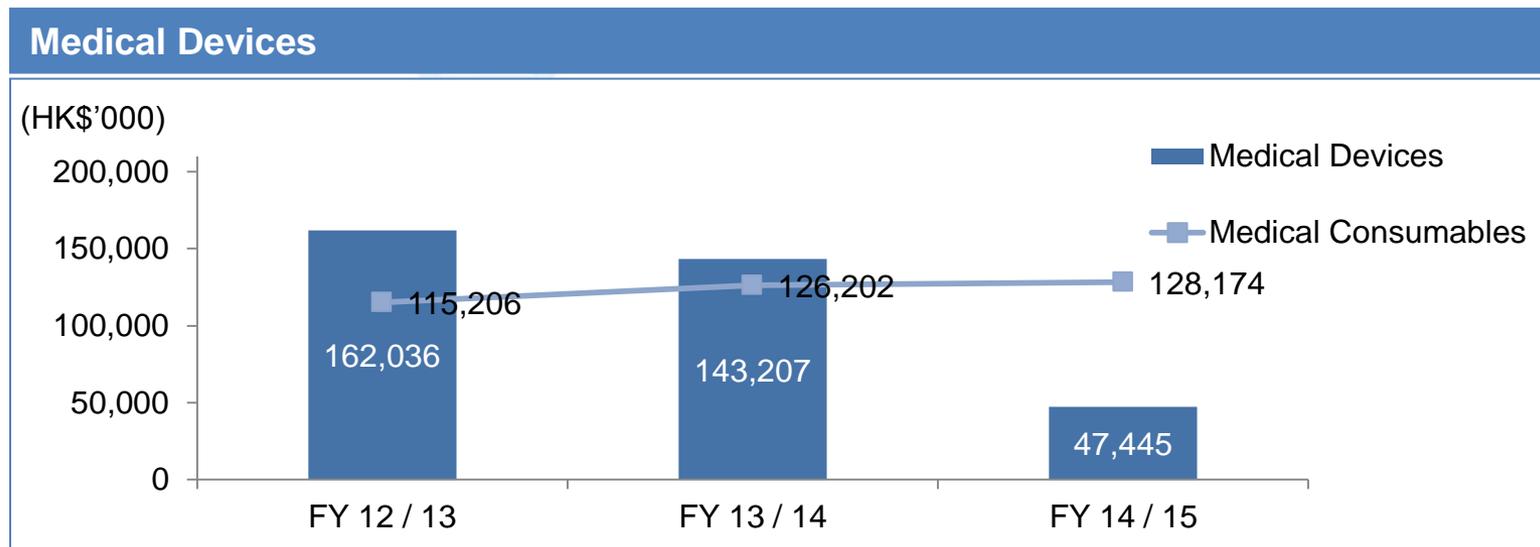
Medical Insurance Administration Business



金衛醫保
GM-Medicare

- Established in April 2010, GM-Medicare, a pioneer specialised in providing medical insurance administration service in mainland China
- Serves as a missing link by providing claim process and bill settlement services to medical insurance companies, hospitals and policy holders
- Obtained market recognition and seeking closer collaborations with insurance companies and local governments
- Still at early stage of development, expect healthcare reforms will generate vast opportunities for business to grow substantially

Highlights of Medical Devices Segment



Proactively Adopted New Marketing Strategy to Maintain Market Share and Fortify Competitive Advantages

- The Group adjusted marketing strategy and lowered product price amid rising competition, successfully stabilised the demand for medical consumables
- Revenue decreased 36.0% to HK\$175,619,000, accounting for 16.7% of Group's total revenue
- Sales of medical devices and sales of medical consumables accounted for 27% and 73% of segment's revenue respectively. Sales of medical consumables has been stable
- Capitalising on existing business platforms to distribute prime quality imported medical devices to mainland China



Company Outlook

Healthcare Services Segment

- Financial performance of Qinghe Hospital is expected to improve when fully operational
- CCBC continues to develop markets in Beijing, Guangdong and Zhejiang province
- GM-Medicare to enhance market recognition and gain collaborations with insurance companies and local governments



Medical Devices Segment

- Leverage on healthcare reforms to drive the sales of medical consumables in mainland China
- Capitalise on existing business network to distribute prime quality imported medical devices





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